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**THE GODERICH ELEVATOR AND  
TRANSIT COMPANY LIMITED**



**70<sup>th</sup> ANNUAL REPORT**

*FOR THE YEAR ENDING MARCH 31st 1968*

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

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NOTICE is hereby given that a meeting of the shareholders of The Goderich Elevator & Transit Company Limited will be held at Goderich, Ontario, in the Company's Office on Thursday, June 13, 1968, at the hour of 11:00 o'clock (DST)\* for the purpose of:

- (a) Receiving the report of the directors and financial statement for the past fiscal year;
- (b) Electing Directors;
- (c) Appointing Auditors;
- (d) Considering and if thought fit, approving and ratifying all contracts; actions and proceedings of the Board of Directors, of the executive committee and of the officers of the Company since the last annual meeting of shareholders, as set forth or described in the minutes of the Company and in the annual report of the Company for the past fiscal year; and
- (e) Transacting such other business as may be properly brought before the meeting.

By Order of the Board of Directors.

Dated at Goderich, Ontario  
this 29th day of May, 1968.

J. C. CHISHOLM,  
Secretary.

\*Please note change of time.

# THE GODERICH ELEVATOR AND TRANSIT COMPANY LIMITED

## INFORMATION CIRCULAR

### SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation by the management of The Goderich Elevator and Transit Company Limited of proxies to be used at the annual meeting of shareholders of the company to be held at the time and place and for the purposes set forth in the preceding notice of meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular employees of the company at nominal cost. The cost of solicitation by management will be borne by the company.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors of the company. A shareholder desiring to appoint some other person to represent him at the meeting may do so either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed proxy to the Secretary of the Company.

A shareholder who has given a proxy may revoke it either (a) by signing a proxy bearing a later date and delivering it to the Secretary of the Company, or (b) as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by signing written notice of revocation and delivering it to the Secretary of the Company or the Chairman of the meeting.

### EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such direction, such shares will be voted for the approval of the directors' report and financial statements, and for the election of directors and the appointment of auditors as stated under those headings in this circular. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. At the time of printing this circular the management of the Company knows of no such amendment, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

### VOTING SHARES

On the 31st of March, 1968 the Company had outstanding 84,166 common shares without nominal or par value, each carrying the right to one vote per share. The directors and senior officers of the Company do not know of any person or company beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all shares of the Company.

The directors have fixed May 29, 1968 as the record date for the determination of the persons entitled to receive notice of and to attend and vote at the meeting.

### ELECTION OF DIRECTORS

The board consists of 7 directors to be elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom, are now members of the board of directors and have been since the dates indicated. The management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next Annual Meeting and until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws.



The following table and the notes thereto state the names of all the persons proposed to be nominated for election as directors, all other positions and offices with the Company now held by them, their principal occupations or employments, the year they became directors of the Company, and the approximate number of shares of each class of the Company beneficially owned directly or indirectly by each of them, as of May 15th, 1968.

NAME	BECAME DIRECTOR	COMMON SHARES
KENNETH A. POWELL of Winnipeg, Manitoba Vice-President of the Company since 1965 and President of K. A. Powell Canada (1966) Limited	1940	2,717
FREDERICK H. DUNSFORD of St. Marys, Ontario Chairman of the Board since 1967 and Chairman of the Board of Great Star Flour Mills Limited	1943	361
HERBERT C. HEIMBECKER of Toronto, Ontario President of Parrish & Heimbecker Limited	1962	57
GEORGE G. PARSONS of Goderich, Ontario President of the Company since 1967 and Manager since 1964	1965	393
KENNETH W. JONES of Winnipeg, Manitoba Manager of Winnipeg Charterers Limited	1966	85
KENNETH E. HUBLEY of Toronto, Ontario Manager, Toronto office of James Richardson and Sons Ltd.	1967	5
DAVID B. WELDON of London, Ontario President, Midland-Osler Securities Limited	1967	1,611

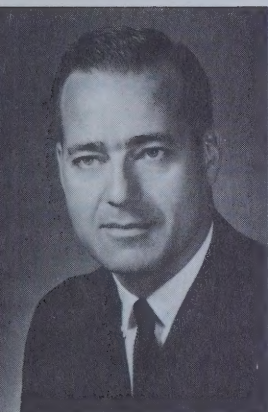
- Notes:** (a) The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (b) Unless otherwise stated above, each of the above named persons has held the principal occupation or employment indicated for at least five years.

#### REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

- Aggregate direct remuneration paid or payable by the Company in the year ending March 31st, 1968 to the directors and senior officers of the Company (this includes remuneration of four employees not considered to be part of the management of the company) ..... \$63,800
- Estimated aggregate cost to the Company in the year ending March 31st, 1968 of all pension or retirement benefits proposed to be paid to the directors and senior officers of the Company under existing plans in the event of retirement at normal retirement age ..... \$ 1,045
- Maximum annual aggregate of all retirement allowances proposed to be paid in the future by the Company, pursuant to existing arrangements, to directors or senior officers of the Company (excluding payments under plans referred to in paragraph (2) and payments to be made for or benefits to be received from group life or accident insurance, group hospitalization or similar group benefits or payments) \$ 1,232

#### APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the re-appointment of Messrs. Clarkson, Gordon & Co. Chartered Accountants, London, as auditors of the Company, to hold office until the next Annual Meeting of Shareholders. Messrs. Clarkson, Gordon & Co. have been auditors of the Company for more than five years.



## DIRECTOR'S REPORT TO SHAREHOLDERS

Grain receipts in 1968 were 13,186,668 bushels compared to 11,118,829 in 1967.

### FINANCIAL REVIEW

The year being reported proved our forecast in October and your Directors are pleased to submit "an annual statement reflecting an average to slightly above profit figure". Profit for the year at \$130,803 was \$1.55 per share compared to \$1.24 last year and represented our best profit, since opening the St. Lawrence Seaway generally deflated the Bay Port Elevator business.

Dividends were increased to \$1.35 per share from \$1.25 the previous year.

Working capital increased by \$39,520 to \$815,921 to give a healthy current ratio of 14. to 1. A program of examination and revision of the investment portfolio has been undertaken by the executive committee.

### PLANT AND EQUIPMENT

An additional storage vessel has recently been purchased, bringing the total afloat capacity to 1,350,000 bushels. This floating space has proven a valuable asset to your Company.

### BOARD OF DIRECTORS

It is with regret we report the resignation of Col. D. B. Weldon who served the Company most faithfully since becoming a Director on April 18, 1928: he had been Vice-President from 1948 to 1960 and President 1960 to 1967. His counsel, particularly on financial matters had been invaluable. Colonel Weldon came to the Board as a nominee following this Company's capital stock split handled by Midland Securities Limited. It was the wish of the Directors that his son David replace him. The writer was honoured, upon election of the Directors, to succeed Col. Weldon as President.

### OUTLOOK

Two factors tend to depress the short-term outlook. A carry-over of feed grains helped to earn good storage through the winter but means there is little incentive to ship new stocks; coupled with this there is a lot of Ontario Corn now finding its way to market. We are expecting to store export wheat through the summer but so far the Canadian Wheat Board have not committed themselves to this program. The first cargo unloaded May 4th this year compared to April 25th in 1967 and the volume to date is down.

We wish to express our appreciation for the confidence of the customers and shareholders, and for the loyalty and cooperation of our employees whose efforts made 1967 a year of achievement.

For the Directors,  
GEORGE G. PARSONS,  
President.

Goderich, Ontario,  
May 29th, 1968.



# The Goderich Elevator a

(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET

March 31, 1968

(with comparative figures for 1967)

## ASSETS

### CURRENT:

	1968	1967
Cash .....	\$ 2,488	\$ 5,576
Investments—at cost (approximate market value at March 31, 1968—\$678,944) .....	780,104	
Accrued interest .....	4,575	784,679
		744,594
Accounts receivable .....	23,483	23,657
Accrued revenue from grain elevation and storage .....	67,635	40,099
Prepaid expenses .....	461	11,873
	878,746	825,799

### FIXED:

Land—at cost .....	3,118	3,118
Land and water lots held under lease— at nominal value .....	1	1
	3,119	3,119
Docks, buildings, barges, machinery and equipment—at cost .....	1,984,129	1,970,076
Less accumulated depreciation .....	1,069,879	1,031,485
	914,250	938,591
	917,369	941,710
	\$1,796,115	\$1,767,509

The attached "Notes to the Financial Statements" are an integral part of these financial statements.

# Transit Company Limited

Laws of Ontario)

SHEET

1968

ures for 1967)

## LIABILITIES

### CURRENT:

	1968	1967
Accounts payable and accrued charges .....	\$ 29,369	\$ 37,976
Income taxes payable .....	33,456	11,422
	<u>62,825</u>	<u>49,398</u>
Deferred income taxes (see note 1) .....	270,000	272,000
Shareholders' equity:		
Capital—		
Authorized: 90,000 shares of no par value		
Issued and fully paid: 84,166 shares .....	936,040	936,040
Retained earnings .....	527,250	510,071
	<u>1,463,290</u>	<u>1,446,111</u>

On behalf of the Board,

F. H. Dunsford, Director

G. G. Parsons, Director

<u>\$1,796,115</u>	<u>\$1,767,509</u>
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should be read together with this statement

## AUDITORS' REPORT

To the Shareholders of

The Goderich Elevator and Transit Company Limited.

We have examined the balance sheet of The Goderich Elevator and Transit Company Limited as at March 31, 1968 and the statements of profit and loss, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at March 31, 1968 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

London, Canada,  
May 8, 1968.

Clarkson, Gordon & Co.,  
Chartered Accountants.

### NOTES TO THE FINANCIAL STATEMENTS

1. Company policy is to provide depreciation at rates considered adequate to amortize the cost of fixed assets over their useful lives and taxes on income charged against earnings are based on depreciation recorded in the accounts. In past years, capital cost allowances claimed for tax purposes have exceeded depreciation recorded in the accounts and accordingly, actual taxes payable have been less than taxes provided. The accumulated reduction in actual taxes payable as a result of this amounts to \$270,000 at March 31, 1968 and is applicable to those future periods in which the amounts of capital cost allowances claimable for tax purposes will be less than the depreciation recorded in the accounts. This amount is included in the attached balance sheet in the item "Deferred income taxes".
2. The aggregate remuneration of directors and senior officers (as such are defined under the requirements of the Corporations Act of Ontario) was \$63,800 for the year ended March 31, 1968. This includes remuneration of four employees not considered to be part of the management of the company.

### STATEMENT OF RETAINED EARNINGS

Year ended March 31, 1968  
(with comparative figures for 1967)

	1968	1967
Balance at beginning of year .....	\$510,071	\$511,092
Add net profit for the year .....	130,803	104,187
	<hr/> 640,874	<hr/> 615,279
Deduct dividends paid of \$1.35 per share in 1968 and \$1.25 per share in 1967 .....	113,624	105,208
Balance at end of year .....	<hr/> \$527,250	<hr/> \$510,071

The attached "Notes to the Financial Statements"  
should be read together with this statement



# STATEMENT OF PROFIT AND LOSS

Year ended March 31, 1968  
(with comparative figures for 1967)

	1968	1967
Revenue from elevation, storage, shovelling and other charges .....	\$662,828	\$544,973
Expenses:		
Operating expenses—		
Wages of superintendent, weighmen, operators, etc. ....	172,995	154,558
Municipal taxes .....	38,485	37,737
Supplies, repairs and maintenance .....	82,593	45,186
Power, water and light .....	21,332	20,982
Insurance and elevator bond premiums .....	12,815	12,914
Insurance on grain in store .....	5,079	8,673
Employees' pension plan .....	4,507	4,958
	<u>337,806</u>	<u>285,008</u>
Depreciation of properties .....	41,904	42,283
Administration expenses—		
Management and office salaries .....	23,149	18,110
Directors' fees and remuneration .....	24,365	18,750
Office expenses, employee benefits, travelling, donations, etc. ....	28,732	26,753
	<u>76,246</u>	<u>63,613</u>
	<u>455,956</u>	<u>390,904</u>
Profit on operations .....	<u>206,872</u>	<u>154,069</u>
Other income:		
Interest and dividends on investments .....	33,800	31,875
Profit (loss) on disposal of investments .....	(188)	2,243
Profit on disposal of fixed assets .....	1,319	
	<u>34,931</u>	<u>34,118</u>
Profit before taxes on income .....	241,803	188,187
Taxes on income .....	111,000	84,000
Net profit for the year .....	<u>\$130,803</u>	<u>\$104,187</u>

The attached "Notes to the Financial Statements"  
should be read together with this statement

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

**Year ended March 31, 1968**  
(with comparative figures for 1967)

Funds provided from:	1968	1967
Operations—		
Net profit for the year .....	\$130,803	\$104,187
Depreciation of properties (not a cash outlay) .....	41,904	42,283
	<u>172,707</u>	<u>146,470</u>
Funds expended on:		
Dividends paid to shareholders .....	113,624	105,208
Additions to fixed assets (net) .....	17,563	17,798
Decrease in deferred income taxes due to:		
(a) Increased taxes resulting from income tax reassessments in which, for tax purposes, certain repair items were treated as fixed assets rather than as operating expenses .....		32,000
(b) Depreciation recorded in the accounts being greater than maximum capital cost allowable .....	2,000	1,000
	<u>133,187</u>	<u>156,006</u>
Increase (decrease) in working capital .....	<u>\$ 39,520</u>	<u>\$ (9,536)</u>

## SUMMARY OF WORKING CAPITAL

**Year ended March 31, 1968**

	1968	1967	Increase or (decrease)
Cash .....	\$ 2,488	\$ 5,576	\$(3,088)
Investments and accrued interest .....	784,679	744,594	40,085
Accounts receivable and accrued revenue .....	91,118	63,756	27,362
Prepaid expenses .....	461	11,873	(11,412)
	<u>878,746</u>	<u>825,799</u>	<u>52,947</u>
Less current liabilities .....	62,825	49,398	13,427
Working capital .....	<u>\$815,921</u>	<u>\$776,401</u>	<u>\$39,520</u>

The attached "Notes to the Financial Statements"  
should be read together with this statement.

## **DIRECTORS**

**F. H. DUNSFORD**  
Great Star Flour Mills Ltd.  
St. Marys, Ontario

**H. C. HEIMBECKER**  
Parrish & Heimbecker Ltd.  
Toronto, Ontario

**K. E. HUBLEY**  
Jas. Richardson & Sons Ltd.  
Toronto, Ontario

**K. W. JONES**  
Winnipeg Charterers Ltd.  
Winnipeg, Manitoba

**G. G. PARSONS**  
Goderich Elevator & Transit Co. Ltd.  
Goderich, Ontario

**K. A. POWELL**  
K. A. Powell Canada (1966) Ltd.  
Winnipeg, Manitoba

**DAVID B. WELDON**  
Midland-Osler Securities Ltd.  
London, Ontario

## **EXECUTIVE OFFICERS**

**F. H. DUNSFORD**  
Chairman of the Board

**G. G. PARSONS**  
President-Manager

**K. A. POWELL**  
Vice-President

**J. C. CHISHOLM**  
Secretary

**M. McNEVIN**  
Treasurer

## **EXECUTIVE COMMITTEE**

**H. C. HEIMBECKER**  
Chairman

**F. H. DUNSFORD**  
**DAVID B. WELDON**

## **AUDITORS**

**CLARKSON, GORDON & CO.**  
London, Ontario

## **BANKERS**

**ROYAL BANK OF CANADA**

## **TRANSFER AND REGISTER AGENTS**

**CANADA PERMANENT TRUST COMPANY**  
253 Bay Street, Toronto



